

**BEFORE THE LOCAL BOUNDARY COMMISSION**  
**FOR THE STATE OF ALASKA**

In Re:

The Matter of the Petition for  
Incorporation for the City of  
Talkeetna

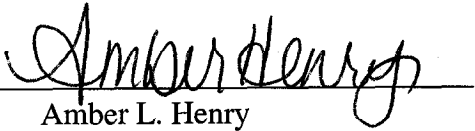
**CERTIFICATION OF SERVICE**

I hereby certify that on July 21, 2000, copies of the Matanuska-Susitna Borough's  
**Comments to Amended Petition** with all attachments and exhibits were served upon the  
following by U. S. mail in Palmer, Alaska:

Sandy Shoulders  
P.O. Box 236  
Talkeetna, AK 99676

Joe Page  
P.O. Box 158  
Talkeetna, AK 99676

By:

  
Amber L. Henry

**BEFORE THE STATE OF ALASKA**  
**LOCAL BOUNDARY COMMISSION**

In Re:

THE MATTER OF THE PETITION FOR  
INCORPORATION FOR THE CITY OF  
TALKEETNA

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**AFFIDAVIT OF BOROUGH PLANNING DIRECTOR,**  
**CINDY J. GILDER**

State of Alaska )  
 ) ss.  
Third Judicial District )

Cindy J. Gilder, being first duly sworn, deposes and states as follows:

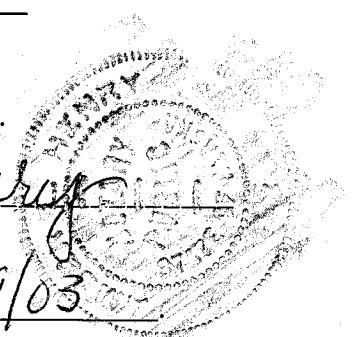
1. I am the Borough Planning Director of the Matanuska-Susitna Borough and make this affidavit in support of the Borough's Comments to Talkeetna's Amended Petition.
2. To the best of the Borough's knowledge, information, and belief, formed after reasonable inquiry, the Borough's Comments to the Amended Petition and exhibits are founded in fact and are not submitted to harass or cause unnecessary delay or needless expense in the cost of processing the Petition (3AAC 110.480).

FURTHER AFFIANT SAITH NOT.

Cindy J. Gilder  
Cindy J. Gilder

SUBSCRIBED and SWORN to before me this 21<sup>st</sup> day of July, 2000.

Amber L. Hennig  
NOTARY PUBLIC  
State of Alaska.  
My commission expires: 2/19/03



BEFORE THE LOCAL BOUNDARY COMMISSION  
FOR THE STATE OF ALASKA

IN RE:

The Matter of the Petition for Incorporation )  
for the City of Talkeetna )  
\_\_\_\_\_ )

**MATANUSKA-SUSITNA BOROUGH'S COMMENTS TO AMENDED PETITION**

The Borough, throughout this proceeding, has commented extensively on the Talkeetna Incorporation Petition, filing a responsive brief on or about August 3, 1998 and supplementing its responsive brief on or about September 21, 1998.<sup>1</sup> The Borough's earlier comments are incorporated herein by reference.<sup>2</sup> Contained within the Matanuska-Susitna Borough's earlier comments are serious concerns pertaining to the ability of the Talkeetna area to provide local governance via a home-rule city. The Matanuska-Susitna Borough, for the sake of expediency, will not reiterate the detailed comments previously submitted to the Local Boundary Commission (LBC). It is, however, important to note that many of the borough's concerns remain to be considered by the Commission, notwithstanding the Amended Petition submitted by the Petitioners, particularly, since the Petition, as originally submitted and as amended, does not provide sufficient detail to ensure that the level of services contemplated by the Petitioners will be equal to or greater than the level of services currently provided by the Borough. See generally Alaska Constitution, Section 10, Articles 1, 5, 7, 11, 13; AS 29.05.011; AS 29.05.021(b); AS 29.05.130; AS 29.05.140; 3 AAC 110.010-040.

While the Petitioners have generally presented their wish to have local governance as a political objective, associated with this political objective is the daily responsibility for the operation of government. The Borough interfaces fairly extensively with the other cities within its jurisdiction

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<sup>1</sup>The Borough has recently learned that DCED intends to prepare a second draft report on the proposal to incorporate the home-rule city of Talkeetna, which in turn will require interested parties to again comment on the proposal. The Borough does not believe that it is a prudent or efficient use of governmental resources to prepare an entire second draft report on the incorporation proposal. Instead, the original draft report should be supplemented as necessary, based on the actual changes to the Petitioners 10/4/99 Amended Petition. As noted above, the Borough has extensively commented on the Talkeetna Incorporation proposal. See generally 3 AAC 110.540(C).

<sup>2</sup>In concept, the Borough supports the Talkeetna area incorporating as some class of city.

and would expect that it would interface with the proposed City of Talkeetna. Accordingly, the LBC must ensure that the City can stand on its own rather than operate nominally with the expectation that the Borough will provide the services that the Petitioners claim they can provide more efficiently than the Borough. This concern is particularly compelling when a review of the December 1998 Department of Community and Economic Development's (DCED)(formerly the Department of Community and Regional Affairs) draft report on the proposal to incorporate the Home-Rule City of Talkeetna is performed. The extensive, well-researched DCED draft report reviewed the Incorporator's Petition, responses, and other documentation associated with the Petition. The conclusion and recommendation on page 41 (Section 4.1 and 4.2) of that report states:

**Section 4.1.** The community of Talkeetna clearly meets several of the standards for city incorporation. It has sufficient local population, economy, and tax base. However, the current incorporation proposal fails to satisfy AS 29.05.011(a)(2) in that it does not, given the present framework of service delivery in the general area, exhibit boundaries which include all land and water necessary to provide the full development of essential city services on an efficient, cost effective level. Neither does the current petition adequately demonstrate a need for city government. Article X, Section 5 of the Alaska constitution prohibits the establishment of borough service areas if a city could be incorporated as a preferred alternative. The current petition would create a city, but would leave certain key service areas intact and fracture others.

DCRA concedes that, theoretically, incorporation of a City of Talkeetna could serve to maximize local self government. However, incorporation would not result in a significant minimization in the number of local government units. When incorporation of a city occurs in an organized borough without a reasonably commensurate reduction in the number of service areas, the constitutional principle requiring minimum numbers of local government units is not served. For example, in this case the MSB has separate service areas for flood control, fire protection, roads, and sewer and water serving the area proposed for incorporation. The Petitioners propose that the city assume the flood control service area functions. Road service powers would be assumed by the city in only part of the area within the existing road service area. The MSB fire service area would continue unchanged and the Petitioners have not committed to city assumption of the water and sewer service area.

Further, the record raises serious questions regarding municipal service delivery. Such issues relate to both the area proposed for incorporation and neighboring areas. Incorporation as proposed could initially result in a significant diminution of the

number of municipal service provided to residents of the area. For example, non-area-wide Borough services provided to the area, including solid waste disposal and animal control, could be seriously disrupted or cease altogether. Thus, the requirement of AS 20.05.021(b) (sic) would not be satisfied by the incorporation petition because services required by the area are presently more reasonably and practicably provided by the Matanuska-Susitna Borough.

Careful collaboration between the Matanuska-Susitna Borough and the community could produce a petition for incorporation of the greater Talkeetna area which could remedy the deficiencies in the current proposal.

**Section 4.2.** DCRA recommends that the LBC deny the petition.

The Petitioners, in an attempt to meet the concerns of the Borough and DCED, amended the Petition in eight (8) areas [**Exhibit 1**]. The Borough has reviewed the Amended Petition and, in addition to its previous responses and the comments stated herein, has attached memorandums to the Borough Manager from the Public Safety Director, the Planning Director, and the Public Works Director. Additionally, the Borough's Community Development Director, Ron Swanson, has noted that the budget line item for contractual services on page 10 (Exhibit E) of the Amended Petition is very low, especially for a start-up city. Mr. Swanson further notes that the budget projections on page 11 (Exhibit E) are very optimistic revenue projections for park and library fees unless the proposed city expands existing parks and railroad property and everyone turns in books late and pays the fines.

The Community Development Director also indicates that road maintenance should include parking and observes that there is no budget for animal control. He doubts that the city would have more than minimal land selections under AS 29.65 or AS 38.05 and any selected land would not be in areas to support development or community (city) services. The city would need to work with BLM with regard to the cemetery and old airstrip and railroad to set aside some of the railroad reserve lands for these uses. Finally, he opines that the city should be concerned about taking over the Borough boat launch.

The Borough has the following additional comments to the eight (8) new points in the Petitioners' October 4, 1999 Amended Petition:

1. **SALES TAX**

The Petitioners state that they have an intention to offer the voters the option of choosing whether a sales tax be 4 percent seasonal or 2 percent annual, with incorporation being dependent on voter approval of one of the forms of sales tax. The Petitioners should more fully state the particulars of the sales tax proposal. The Borough agrees that incorporation of a home-rule city should be dependent upon voter approval of a sales tax proposal due to the minimal budget proposed by the Petitioners, but see AS 29.45.710.

Furthermore, city and borough managers will typically advise that the exemptions of such basic items as grocery, fuel, and medical services undermine the revenue stream that may be generated by a sales tax. Obviously, the more exemptions from a sales tax, the less revenue the city will derive. It is also important to note that if the Borough ever adopts a sales tax, this will be in addition to any city sales tax; and a city may only tax the same sources taxed by the Borough, unless otherwise provided by ordinance (AS 29.45.700).

2. **BED TAX**

The Borough concurs with the deletion of the 15% bed tax proposal from the Incorporation Petition.

3. **BUDGET**

The Borough believes that the budget proposed by the Petitioners is minimal. The attached tables of budgets for other home-rule cities of similar size, providing similar services with similar populations, establishes that the proposed Home-Rule City of Talkeetna's budget should be realistically re-examined [**Exhibits 2 & 3**].<sup>3</sup> The use of the City of Houston's budget as a comparison to the proposed Talkeetna budget is distinguishable. Houston is a second-class city providing less services than the proposed City of Talkeetna. In the Borough's opinion, exhibits 2 & 3 are a reasonable comparison of other cities similar in population and service provision to that

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<sup>3</sup>The Borough recognizes that exhibits 2 & 3, of course, do not provide comparisons with mathematical precision and that, as with any comparison, the variable circumstances allow distinctions to be drawn.

of the proposed City of Talkeetna. However, in each of the tables, you will note that most of the cities are first-class cities. The first-class cities were used as a comparison since they were more similar in size and population than most home-rule cities in Alaska. The City and Borough of Yakutat was included since it serves a population similar in size to that of the proposed City of Talkeetna. The second-class City of Houston is included since this was a comparison used by DCED in its draft report on the Proposed Incorporation Petition. A review of the City of Houston data establishes that it is similar in population to that of the proposed City of Talkeetna; however, its services only include 'Volunteer Fire' and 'Roads'.

4. **BOUNDARIES**

The Amended Petition has extended the boundaries of the proposed city (now 24 square miles, to include Section 28, Township 26N, Range 4W) to ensure that existing and potential future access routes to the Freedom Hills Subdivision will be within the city boundary. The Borough respectfully refers the LBC to Public Works Director, Jim Swing's May 9, 2000 memorandum expressing the Borough's concern about the splitting of service areas, which states:

"The remainder of the greater Talkeetna Road Service Area #29 (area outside proposed city boundary) is a problem. The area would be too small to become a service area of its own and would be negatively impacted by a forced consolidation with the Caswell Lakes RSA #15 (greater Talkeetna tax rate 2.67 mils, Caswell Lakes RSA tax rate 3.61 mils). The State of Alaska should consider this negative aspect to the residents of RSA #29 living outside the proposed city when debating the merits of incorporation." [Exhibit 4]

Mr. Swing also notes that there is \$50,000 in the Freedom Hills fund balance, which is intended to pay for the construction of a new access road in the Freedom Hills Subdivision. These funds may be transferred to a new city, conditioned upon their being used in the Freedom Hills Subdivision, based upon a court order in the case involving this subdivision.

5. **WATER & SEWER**

Public Works Director, Jim Swing, notes as follows in his July 19, 1999 memorandum:

"The Amended Petition states that City would take over ownership and operation of the water and sewer utility within 18 months of incorporation. They qualify this

statement with the phrase "The petitioners strongly advise that the city of Talkeetna work to develop an agreement with the Borough that would address issues and delineate responsibility for solutions to the inherent problems which this system experiences.

The Public Works Department has consistently stated that there are no more or no less problems with this utility than any other one. The Borough is the operator of these systems for the users. The users will not change if Talkeetna is incorporated. Therefore, if improvements are required or desired, the users will be required to pay for these improvements no matter who owns and operates the systems. The Borough, as long as we are the owners and operators, will continue to maintain and improve these facilities. However, at time of transfer of responsibility to the city it should be "as is" at that time." [Exhibit 5]

The proposed City of Talkeetna's acceptance of the water & sewer system is critical to its incorporation efforts. If the LBC is inclined to grant the incorporation request, an express condition of approval should include a strict time-line for the new city to undertake responsibility for the water & sewer system. The transfer of the water & sewer system (as well as other services) should include all assets as well as liabilities associated with the system. Service transfer should not be conditioned upon agreement between the proposed new city and the Borough since, upon formation and transfer, these services will become the responsibility of the city and not the Borough. As previously noted, if Talkeetna is to form as a city, it should not become one only nominally, but should become a fully operating home-rule city with the ability to pay for and provide services to its citizens.

## 6. SOLID WASTE

The Borough's Public Works Department remains concerned about the city taking over solid waste even though this is a non-area-wide power of the Borough. As Public Works Director, Jim Swing notes in two separate memorandums:

"If the City takes over the solid waste collection and disposal services, the Borough will be forced to charge for disposal of the refuse at the Borough Central Landfill, since solid waste services is a non-area-wide power. The City could, of course, open their own landfill." (May 9, 2000 memorandum)

"The amended petition states that the City will assume responsibility for solid waste disposal within 18 months of incorporation. As has been stated previously (in my June 3, 1998 memorandum), the Public Works Department does not believe that this is a prudent action. No other city within the Borough provides solid waste disposal service. In order for the City of Talkeetna to do so would require the development of a landfill or using the Borough's Central Landfill. At present, solid waste services do not require a mill levy. Sufficient fees are charged to pay for solid waste



operations. If the City assumed these powers the cost would be prohibitive since the City would have to start paying for disposal. We would request that the City withdraw the request to assume solid waste authority." (July 19, 1999 memorandum)

7. **ANIMAL CONTROL**

Animal Control is a non-areawide power of the Borough and any assumption of this responsibility by the City would need to be carefully coordinated with the Borough, which undertakes animal control activities in the Talkeetna area. As noted, the proposed city budget should include a line item for this service. See the April 3, 2000 letter from Public Safety Director, Kevin Koechlein [**Exhibit 6**].

8. **LIBRARIES**

The same general comment as that noted above for animal control applies to libraries, although in years 2 and 3 the proposed city budget includes a line item for libraries. The Borough believes that libraries should be an areawide power since it contributes money to the cities of Palmer and Wasilla for library services and the provision of library services would be more efficient if exercised on an areawide basis. However, Talkeetna's proposal is consistent with the existing provision of library services on a non-areawide basis.

The four Borough libraries are funded as a non-areawide power. The Borough has provided funding assistance for the last three years to the two city libraries, Palmer and Wasilla, through an areawide block grant. The Borough does not place any restrictions on this block grant as to its use; however, the two cities use it to subsidize the operational cost of their respective libraries. The subsidy is an acknowledgement that there are non-city Borough residents who use the city libraries on a regular basis. While funding for libraries has been provided to the cities for many years, there is no guarantee that it will continue.

Funding has also been provided for the last three years to the Trapper Creek Library through a non-areawide grant. The Borough acknowledges that the Trapper Creek Library is a public library serving that community and its surrounding neighbors. A local independent library board operates the library with guidance provided by Borough staff. As is the case with the two cities, there is no guarantee that this funding will continue.

The assumption of library powers by a new city will result in the continuation of the issues associated with the provision of library services throughout the Borough.

9. **MAT-SU BOROUGH DEPARTMENT PROJECTS**

The Borough has also been undertaking other activities within the Talkeetna area as follows:

A. **PUBLIC WORKS ACTIVITIES**

- (1) Paving 2<sup>nd</sup> Street and "F" Street
- (2) Gravel overlay of screened gravel at Downtown Street
- (3) Cleaning sewer lines
- (4) Conducting a study and design of water & sewer improvements
- (5) Completion of addition/remodeling of Talkeetna Elementary School
- (6) Remodel of Talkeetna Library
- (7) Striping Mainstreet to delineate pedestrian walkways from vehicular lanes
- (8) Repairing flood control dikes in downtown Talkeetna with additional rip-rap

B. **COMMUNITY DEVELOPMENT PROJECTS**

- (1) Parking lot in Downtown Talkeetna
- (2) Bus parking
- (3) Library upgrade this fall (approximately \$20,000)
- (4) Contract with the Chamber of Talkeetna to run campgrounds - proceeds expensed for the parks

C. **PLANNING ACTIVITIES**

According to Mat-Su Borough Planning Director, Cindy Gilder, in addition to the annual activities, such as the Capital Improvement Program (CIP) and community council support, the Borough has a request from the community for a Special Land Use District and a request for technical support in preserving the historic district. She expects she may be receiving requests for Lake Management Plans and a Single Family Residential District as she has had several inquiries about these programs. Residents in the greater Talkeetna area are participating in the Borough's

volunteer water quality monitoring program. See also John Duffy's Affidavit, attached to the Mat-Su Borough's June 19, 1998 Responsive Brief, which authors the scope of typical planning activities affecting the Talkeetna area [**Exhibit 7**].

10. **OTHER CONCERNS**

The Borough, of course, reserves its right to present comments on the charter and the Amended Petition as it deems necessary. The proposed charter should be very carefully scrutinized by the LBC.

The Petitioners, in the Amended Petition, state that the sales tax will be conditioned upon voter approval, as provided by State law. AS 29.45.710, pertains to combining a sales and use tax with incorporation of a second-class city. This provision of Title 29 does not apply to the establishment of a home-rule city. Moreover, the Petitioners have included the levy of a property tax within the same paragraph. Alaska law provides that a municipality may levy a property tax without requiring a vote of the people (AS 29.45.010).

The Petitioners further note that they will honor all conditional use and other permits issued by the Borough. However, since Planning is an areawide power of the Borough, any conditional use or other permit would remain within the province of the Borough unless oversight of such activities within the boundaries of the proposed City of Talkeetna is transferred to the City. In any case, to the extent that any permits entail vested rights, a municipality would be required to honor their provisions.

Once a borough undertakes to exercise an areawide power, it may not be exercised by a city unless authorized by the borough ordinance (AS 29.35.250). In the case of Parks & Recreation, the Borough has delegated a portion of its Parks & Recreation activity to the City of Wasilla. A similar arrangement, assuming the parties mutually agree on the scope of Parks & Recreation services to be delegated, presumably could be negotiated between the proposed City of Talkeetna and the Borough.

While the Borough supports the incorporation of some class of city in the Talkeetna area, it remains concerned that the incorporation of a home-rule municipality, based upon the proposal submitted by the Petitioners, may not provide the level of services or governance required to protect the public's health, safety, and welfare. As noted in the Borough's June 19, 1998, September 21,

1998, and May 18, 1999 [**Exhibit 9**] comments to the Petition (as well as these comments), there are numerous details and issues which require resolution prior to a new city undertaking governance responsibilities. While it is possible that these issues can be resolved, the Borough believes further details and the acceptance of responsibility for transferred services must be forthcoming prior to the LBC approving the Petition for Incorporation.

It remains critical that the Petitioners recognize that city incorporation cannot be contingent upon negotiating agreements with the Borough for the transfer of services. Instead, upon adoption of an ordinance transferring the powers and functions to the new city, it must accept the transfer of powers and functions along with associated assets and liabilities. The LBC should be certain to require the new city, if approved, to undertake the powers and functions it claims it can provide by a date certain, not to exceed two (2) years, without regard to any agreements with the Borough since it is the Borough that must transfer the powers and functions by ordinance, pursuant to its legislative authority.

The Borough, throughout this proceeding, has worked with the Petitioners to answer questions and provide information with regard to the Petition. It is within the responsibility of the Petitioners, however, to present a proposal that meets the constitutional, statutory, and regulatory standards for incorporation of a city because such undertakings must be responsibly performed. Ultimately, it is the public that is the beneficiary of the services provided by a local government.

The Borough must also comment on the Petitioners' claim that somehow their ability to conduct a survey was undermined by the Borough. The Borough disagrees with this conclusion since, at the place the Petitioners were intending on obtaining the votes on the survey happened to be at the same place and time that the Borough was conducting its local elections. The Borough Clerk became quite concerned about this since the integrity of elections is paramount to the public and any confusion could result in an election being challenged. The Borough Clerk forwarded a September 30, 1999 letter to all community councils expressing this concern [**Exhibit 8**]. Again, it is the Petitioners' responsibility to conduct their own activities respecting their Petition. The Borough objects to the characterization that somehow their efforts were thwarted, since the Borough, at all times, has been extremely cooperative and patient with them as they have submitted petitions and amended petitions. Indeed, this is the third time the Borough has commented on the Talkeetna

Incorporation Petition. The LBC should schedule a public hearing and make a final determination on this matter

DATED: July 21, 2000.

MATANUSKA-SUSITNA BOROUGH

BY Michael Gatti

Michael Gatti, Borough Attorney

Enclosed you will find a copy of the amended petition for incorporation of the City of Talkeetna (with changes highlighted) along with the original petition so that you will be able to see what changes have been proposed. The changes occur primarily on pages 2-3, 10-11, and 14-16.

**Key Items Include:**

- **Sales Tax--** Our intention is to offer voters the option of choosing whether a sales tax be 4% seasonal or 2% annual with incorporation being dependent on voter approval of one of them. The sales tax would be limited to a maximum of \$10 on any single transaction, and would apply only to non-essential items (as determined by the Talkeetna City Council). Exempt items might include groceries, fuel, and medical services.
- **Bed Tax--** This non-binding tax proposal has been deleted from the incorporation petition.
- **Budget--** The first year's operating budget reflects salaries for a part-time city manager, a part-time city clerk/treasurer, a full time public works operator, and a seasonal recreation director. The second and third year's operating budget adds salaries and expenses for the operation of the library and the solid waste transfer site. It also includes revenues and expenses related to the operation of the water and sewer system.
- **Boundaries--** A city should include "all land and water necessary to provide the full development of city services on an efficient, cost-effective level." The amended petition for incorporation adds Section 28 (T26N, R4W) in order to insure that all potential access routes to the Freedom Hills subdivision (a topic of much dispute between subdivision land owners and the MSB) will be within the city boundary.
- **Water and Sewer--** The City of Talkeetna will assume management of the water and sewer system within eighteen months of incorporation. The existing "user fees" or a "differential tax zone" will provide the source of revenue for this service.
- **Solid Waste--** The City of Talkeetna will take over management of solid waste within 18 months of incorporation.
- **Animal Control--** The City of Talkeetna will take over management of animal control within 6 months of incorporation.
- **Libraries--** The City of Talkeetna will take over management of this nonareawide service within eighteen months of incorporation.

Budgets of Communities Similar to the Proposed City of Talkeetna Excluding Public Safety Expenditures									
	King Cove	Kake	Skagway	Nenana	Yakutat	Houston	Talkeetna Year 1	Year 2	Year 3
	First Class City	First Class City	First Class City	Home Rule City	Home Rule Borough	Second Class City	Proposed Home Rule City		
Population (1999)	703	783	814	435	810	939	758		
Municipal Facilities & Utilities	Water/Sewer, Electric Refuse Collection, Landfill, Health Clinic, Police, Volunteer Fire/EMS, Harbor/Port	Water/Sewer, Refuse Collection, Landfill, Police, Volunteer Fire, Health Clinic, Airport, Harbor/Dock, Cable T.V. Library, Liquor Store, Schools, Bingo, Planning	Water/Sewer, Health Clinic, Refuse Collection, Incinerator, Police, Volunteer Fire, Harbor/Dock, Library, Museum, Schools, Zoning	Water/Sewer, Landfill, Health Clinic, Dock, Airport, Police, Volunteer Fire/EMS, Library, Roads, Schools, Planning	Water/Sewer, Electric, Landfill, Health Clinic, Police, Volunteer Fire/EMS/Ambulance, Schools, Harbor/Dock, Airport, Planning/Zoning	Volunteer Fire, Roads	Road Maintenance, Water/Flood Control, Cemetery, Parks & Recreation, Water/Sewer, Library, (Planning? Animal Control?)	Road Maintenance, Water/Flood Control, Cemetery, Parks & Recreation, Library, Solid Waste Disposal, Water/Sewer, (Planning? Animal Control?)	Road Maintenance, Water/Flood Control, Cemetery, Parks & Recreation, Library, Solid Waste Disposal, Water/Sewer, (Planning? Animal Control?)
Tax Types	3% Sales Tax	5% Sales Tax	Property Tax 4% Sales Tax, 8% Bed Tax	Property Tax, 3% Sales Tax	Property Tax, 4% Sales Tax, 1% Raw Fish Tax, 4% Bed & Car Rental Tax	Property Tax	Property Tax 4% Seasonal OR 2% Annual Sales Tax	Property Tax 4% Seasonal OR 2% Annual Sales Tax	Property Tax 4% Seasonal OR 2% Annual Sales Tax
Adjusted Revenue (1998)	1,444,364	1,722,260	5,015,301	1,238,767	4,047,306	265,907	431,000	481,000	491,000
Adjusted Expenditures (1998)	1,380,167	1,691,161	2,014,985	707,042	2,472,512	207,091	310,450	494,950	498,450
Deleted Revenue (to address revenue not included in proposed City of Talkeetna)	Fish Tax Share Electric Utility	Fish Tax Share St/Fed Education Funds Cable T.V.		Fish Tax Share St/Fed Education Funds	Fish Tax Share St/Fed Education Funds Electric Utility				
Deleted Expenditures (to address expenditures not included in proposed City of Talkeetna)	Harbor/Dock Public Safety	Harbor/Dock Local Education Public Safety	Harbor/Dock Local Education Public Safety	Harbor/Dock Local Education Public Safety	Harbor/Dock Local Education Public Safety	Public Safety (Fire)			
Costs Needing to be Addressed by Talkeetna Petitioners									
Solid Waste Disposal	100,720	114,877	23,597	0	0	0	0	60,000	60,000
Animal Control							?	?	
Planning & Zoning	21,485	0	0	0	78,589	0	?	?	
Library							?	40,000	40,000

Sources: Alaska Department of Community and Economic Development, Detailed Community Profiles  
Alaska Taxable, 1999; 1999 Municipal Officials Directory

EXHIBIT 2, page 1-11

Budgets of Communities Similar to the Proposed City of Talkeetna Including Public Safety Expenditures									
	King Cove	Kake	Skagway	Nenana	Yakutat	Houston	Talkeetna Year 1	Year 2	Year 3
	First Class City	First Class City	First Class City	Home Rule City	Home Rule Borough	Second Class City	Proposed Home Rule City		
Population (1999)	703	783	814	435	810	939	758		
Adjusted Revenue (1998)	1,444,364	1,722,260	5,015,301	1,238,767	4,047,306	265,907	431,000	481,000	491,000
Adjusted Expenditures (1998)	1,742,935	1,894,382	2,586,386	820,538	2,801,189	207,091	310,450	494,950	498,450
Municipal Facilities & Utilities	Water/Sewer, Electric Refuse Collection, Landfill, Health Clinic, Police, Volunteer Fire/EMS, Harbor/Port	Water/Sewer, Refuse Collection, Landfill, Police, Volunteer Fire, Health Clinic, Airport, Harbor/Dock, Cable T.V. Library, Liquor Store, Schools, Bingo, Planning	Water/Sewer, Health Clinic, Refuse Collection, Incinerator, Police, Volunteer Fire, Harbor/Dock, Library, Museum, Schools, Zoning	Water/Sewer, Landfill, Health Clinic, Dock, Airport, Police, Volunteer Fire/EMS, Library, Roads, Schools, Planning	Water/Sewer, Electric, Landfill, Health Clinic, Police, Volunteer Fire/EMS/Ambulance, Schools, Harbor/Dock, Airport, Planning/Zoning	Volunteer Fire , Roads	Road Maintenance, Water/Flood Control, Cemetery, Parks & Recreation, Water/Sewer, Library (Planning? Animal Control?)	Road Maintenance, Water/Flood Control, Cemetery, Parks & Recreation, Library, Solid Waste Disposal, Water/Sewer, (Planning? Animal Control?)	Road Maintenance, Water/Flood Control, Cemetery, Parks & Recreation, Library, Solid Waste Disposal, Water/Sewer, (Planning? Animal Control?)
Tax Types	3% Sales Tax	5% Sales Tax	Property Tax 4% Sales Tax, 8% Bed Tax	Property Tax, 3% Sales Tax	Property Tax, 4% Sales Tax, 1% Raw Fish Tax, 4% Bed & Car Rental Tax	Property Tax	Property Tax 4% Seasonal OR 2% Annual Sales Tax	Property Tax 4% Seasonal OR 2% Annual Sales Tax	Property Tax 4% Seasonal OR 2% Annual Sales Tax
Deleted Revenue (1998) <i>(to address revenue not included in proposed City of Talkeetna)</i>	Fish Tax Share Electric Utility	Fish Tax Share St/Fed Education Funds Cable T.V.		Fish Tax Share St/Fed Education Funds	Fish Tax Share St/Fed Education Funds Electric Utility				
Deleted Expenditures <i>(to address expenditures not included in proposed City of Talkeetna)</i>	Harbor/Dock	Harbor/Dock Local Education	Harbor/Dock Local Education	Harbor/Dock Local Education	Harbor/Dock Local Education				
<i>Costs Needing to be Addressed by Talkeetna Petitioners</i>									
Solid Waste Disposal	100,720	114,877	23,597	0	0	0	?	60,000	60,000
Animal Control							?	?	
Planning & Zoning	21,485	0	0	0	78,589	0	?	?	
Library							?	40,000	40,000

Sources: Alaska Department of Community and Economic Development, Detailed Community Profiles  
Alaska Taxable, 1999; 1999 Municipal Officials Directory

Exhibit 3, page 1 of 1





# MATANUSKA-SUSITNA BOROUGH

PUBLIC WORKS DEPARTMENT  
350 East Dahlia Avenue, Palmer, Alaska 99645-6488  
PHONE (907) 745-9801 • FAX (907) 745-9825

RECEIVED

MAY 9 2000

MATANUSKA-SUSITNA BOROUGH  
ADMINISTRATION/PERSONNEL

C: Borough Attorney

## MEMORANDUM

DATE: May 9, 2000  
TO: Michael J. Scott, Borough Manager  
FROM: Jim Swing, Public Works Director *JS*  
SUBJECT: Amended Petition for Incorporation of a Home Rule City of Talkeetna

You have requested that each department review and comment on the amended petition for incorporation of Talkeetna as a home rule city. The following are the Department of Public Works' Comments:

Attached are copies of Public Works previous comments on Talkeetna incorporation. These are dated June 3, 1998, May 12, 1999 and July 19, 1999. The comments made in these three memorandums are still pertinent. New comments are as follows:

Page 2. The FY2000 tax rates are as follows:

Areawide	12.50 mils
Non-areawide	0.36 mils
Talkeetna Flood Control	0.50 mils
Talkeetna Fire Service Area	1.70 mils
Greater Talkeetna Road Service Area	2.67 mils

There has never been a tax rate for the Talkeetna Water and Sewer Service Area.

Page 2(D). Add Talkeetna Fire Service Area.

Pages 14 and 15. Transition of Service Areas:

1. All transfers of responsibilities for services should be made as of July 1<sup>st</sup> of whatever year the service is being transferred, due to the start of new fiscal years.
2. The remainder of the Greater Talkeetna Road Service Area #29 (area outside

Winner of two Alaska Municipal League  
1999 Alaska Awards of Excellence  
"Effective Government" and "Public Participation"

Exhibit 4, page 1 of 2

proposed city boundaries) is a problem. The area would be too small to become a service area of its own and would be negatively impacted by a forced consolidation with the Caswell Lakes RSA #15 (Greater Talkeetna tax rate 2.67 mils, Caswell Lakes RSA tax rate 3.61 mils). The state of Alaska should consider this negative aspect to the residents of RSA #29 living outside the proposed city when debating the merits of incorporation.

3. There is over \$50,000 in the Freedom Hills fund balance which is intended to pay for construction of a new access road to the Freedom Hills Subdivision. These funds would be transferred to a new city. An agreement would be required to assure usage in the Freedom Hills Subdivision, as there exists a Court Order in this matter.
4. As stated in prior comments by Public Works, the water and sewer system for Talkeetna are in good condition. The Borough has made good progress in eliminating water infiltration problems in the sewer system, as well as freezing problems in both the water and sewer lines. There are still some improvements which need to be made. The Borough is obtaining a state of Alaska grant to design these improvements. There is nearly \$50,000 available in fund balance for this utility, and present fees are sufficient to fully fund all operation and maintenance costs. If the city is incorporated, the water and sewer system should be turned over to the city on an as-is basis. The utility is in as good a shape as any other city's systems.
5. Please read Public Works previous comments on solid waste. If the city takes over the solid waste collection and disposal services, the Borough will be forced to charge for disposal of the refuse at the Borough's Central Landfill, since solid waste services is a non-area-wide service. The city could, of course, open their own landfill.

JPS:bw

Enclosure

C:\BEV\LETTERS\000509-1.wpd



# **MATANUSKA-SUSITNA BOROUGH**

## **PUBLIC WORKS DEPARTMENT**

350 East Dahlia Avenue, Palmer, Alaska 99645-6488  
PHONE (907) 745-9801 • FAX (907) 745-9825

### MEMORANDUM

DATE: July 19, 1999

TO: Michael J. Scott, Borough Manager

FROM: Jim Swing, Public Works Director *JS*

SUBJECT: Amended Petition for Incorporation of City of Talkeetna, Public Works Department Comments

This memorandum will serve as the Public Works Department's comments on the amended petition for incorporation of the city of Talkeetna.

On June 3, 1998, the Public Works Department commented on the original petition for incorporation. These comments were submitted to you by memorandum. These June 3, 1998 comments are still pertinent. Some of the concerns we had at that time have been addressed in the amended petition.

General comments include the following:

Water and Sewer Service. The amended petition states that City would take over ownership and operation of the water and sewer utility within 18 months of incorporation. They qualify this statement with the phrase "The petitioners strongly advise that the city of Talkeetna work to develop an agreement with the Borough that would address issues and delineate responsibility for solutions to the inherent problems which this system experiences."

The Public Works Department has consistently stated that there are no more or no less problems with this utility than any other one. The Borough is the operator of these systems for the users. The users will not change if Talkeetna is incorporated. Therefore, if improvements are required or desired, the users will be required to pay for these improvements no matter who owns and operates the systems. The Borough, as long as we are the owners and operators, will continue to maintain and improve these facilities. However, at time of transfer of responsibility to the city it should be "as is" at that time.

The amended petition states that the City will assume responsibility for solid waste disposal within 18 months of incorporation. As has been stated previously (in my June 3, 1998 memorandum), the Public Works Department does not believe that this is a prudent action. No other city within the Borough provides solid waste disposal services. In order for the City of Talkeetna to do so would

Michael J. Scott, Borough Manager  
July 15, 1999

Page 2

either require the development of a landfill or using the Borough's Central Landfill. At present, solid waste services do not require a mill levy. Sufficient fees are charged to pay for solid waste operations. If the City assumed these powers the costs would be prohibitive since the City would have to start paying for disposal. We would request that the City withdraw the request to assume solid waste authority.

The amended petition does include the area in which the Freedom Hills Access Road is located. This takes care of my concerns as stated in C.1 of the June 3, 1998 memorandum

JPS:bw

C:\BEV\LETTERS\990719-2.wpd



# MATANUSKA-SUSITNA BOROUGH

## Department of Public Safety

680 North Seward Meridian Parkway, Wasilla, Alaska 99654

PHONE (907) 373-8800 ★ FAX (907) 376-0799

RECEIVED

APR 4 2000

MATANUSKA SUSITNA BOROUGH  
ADMINISTRATION/PERSONNEL

### MEMORANDUM

*Law*

DATE: April 3, 2000

TO: Michael J. Scott, Borough Manager

FROM: Kevin Koechlein, Public Safety Director *KK*

SUBJECT: Talkeetna Incorporation

After reviewing the amended petition I have two comments regarding the proposal. The first concerns their use of the borough emergency plan "by adoption" as the new city plan. While adopting the form would be in their best interest, and ours they still will need to modify it to fit the services they provide. There will also be some items that would not apply to them that are in our plan such as EMS. This is not a major problem but they should understand that it would take a little work on the part of the city to do so.

The second issue is with animal control as it is presented. Their petition states they will take over animal control within the city within six months. However, they have not budgeted any funds to do so. At the very least they will need to budget for licenses, at least a part time person and the costs of required quarantine of animals. The other option they may be considering is to allow for animal control but in fact adopt no ordinances to enforce it. My staff currently spends approximately one day a week in the Talkeetna area handling animal issues ranging from bite cases to loose and nuisance animals. They could use that estimate of workload as a base for budgeting a part-time or casual employee to work this area.

As the petition stands there will be no impact on the EMS and Rescue functions, Fire Services or Enhanced 911 System.



ordinances and regulations. Many of these planning documents and land use ordinances and regulations directly affect the Talkeetna area.

6. Specific planning documents adopted by the Borough Assembly which affect the Talkeetna area include: Susitna Area Plan, Borough-wide Comprehensive Plan (1970), Borough-wide Long Range Transportation Plan, Borough-wide Public Facilities Plan, Borough-wide Trail Inventory, and Borough-wide Solid Waste Management Plan. In addition to these adopted plans the Department of Planning and Land Use assisted the Talkeetna community in the development of a comprehensive plan for the Talkeetna community. This plan was recently adopted in January of 1998. This plan will have an impact on the future growth of the community and land use of the area. Other planning activities in which the Department has been involved which affect and benefit the Talkeetna area include: annual population estimates, legislative and borough reapportionment, and the lake management planning.

7. In addition, the Department develops, on an annual basis, a Capital Improvement Program (CIP). The CIP is a schedule of proposed capital improvements necessary for the orderly growth of the community. The CIP presently contains a number of proposed improvements for the Talkeetna area which will benefit the residents of the Talkeetna area.

8. The Department of Planning and Land Use is also responsible for enforcing land use regulations that protect the public health, safety and welfare. These land use regulations, specifically the MSB 17.60, MSB 17.48, and MSB 17.70 which require conditional use permits for commercial junk yards and refuse areas, mobile home parks, and alcoholic beverage dispensaries and package stores, respectively, ensure that certain land uses do not negatively affect the character of the community. In the Talkeetna community, these land use regulations seek to protect the recreational and tourist character of the area.

9. Other borough-wide ordinances such as the waterbody setback that is administered by the Department of Planning and Land Use seek to protect the water quality of waterbodies such as Christiansen Lake. Further, the residents of the Talkeetna area may avail themselves of the borough's motorized use of waterbodies ordinance if they desire more direct management of the area's lake system or they could request the Department develop a lake management plan for the area in order to protect and enhance the recreational use of the lake(s) as many other communities in the borough have done.

10. The Department has also provided numerous other services to Talkeetna area

residents. For example the Department's Platting Division has administered subdivisions in the area thereby ensuring that lots created in the process meet minimum design criteria, have adequate access and area for water and sewage needs. The Code Compliance Division has conducted a field review of non-conforming structure and has conducted annual inspections of conditional use permits issued by the Planning Commission for alcoholic beverage dispensaries and package stores. The Planning Division and the Borough Clerk's office have linked the residents of the Talkeetna area, via teleconference, to meetings of the Planning Commission and Assembly on issues directly affecting their area and the Planning Commission and Assembly have conducted meetings in the Talkeetna community. By virtue of the Borough's adoption of MSB 17.29 Flood Damage Prevention, property owners in the Talkeetna area are eligible for federally subsidized flood insurance.

11. After reviewing the petition, it is my opinion that it does not meet AS 29.05.021(b) because the only new service being provided is that of cemeteries and many of the services to be provided will be done so at a lower level than is currently being provided by the borough. Lastly, certain other services that the borough currently provides, such as zoning enforcement or emergency preparedness planning are not provided at all.

12. In conclusion, the Department of Planning and Land Use has provided and continues to provide planning related services to the residents of the Talkeetna area. These services include the development and implementation of formal plans and land use regulations which seek to protect the public health, safety, and welfare as well as to protect and enhance the quality of life for area property owners and residents. The services provided also have included other activities, such as providing data, answering questions, linking residents telephonically to Planning Commission meetings when asked, and obtaining their comments on proposals directly affecting their area and lifestyles. All of the services available from the Department of Land Use and Planning are available to the Talkeetna area. It is my opinion that the present petition should be improved upon by; 1) providing those services the borough presently provides at a



consummate level; 2) undertaking additional services such as zoning enforcement; and 3) providing a funding source for all services to be provided.

13. To the best of the borough's knowledge, information and belief, formed after reasonable inquiry, the responsive brief and exhibits are founded in fact and are not submitted to harass or to cause unnecessary delay or needless expense in the cost of processing the petition.

FURTHER AFFIANT SAITH NOT.

John Duffy  
John Duffy

SUBSCRIBED and SWORN to before me this 19 day of June, 1998.

Debra L. Moore

NOTARY PUBLIC

State of Alaska.

My commission expires: 1-19-2000



# Matanuska-Susitna Borough

350 EAST DAHLIA AVE., PALMER, ALASKA 99645-6488

PHONE (907) 745-9683 • FAX (907) 745-9845

## MEMORANDUM

DATE: September 30, 1999

TO: All Community Councils

FROM: Sandra A. Dillon, Borough Clerk *Sandra*

SUBJECT: Borough October 5, 1999, Election--Polling Places

It has come to my attention that some community councils are intending to have their election of officers at the same polling places on the same day as the borough's regular election. In my research, I discovered that those community councils which intend to use the public buildings have not obtained proper authority for their use, nor have they applied for the borough's TULIP insurance. Furthermore, I have previously advised several community councils that unrelated collateral activity within polling places undermines the borough's compelling interest in the integrity of its elections as explained below.

One of the borough's most important responsibilities when administering elections is to serve the interest of the voters by protecting their right to vote freely and effectively without distraction, intimidation, or confusion. Another important responsibility is the maintenance of ballot security, the secrecy of the vote, and the confidentiality of voter information. As you can well imagine, unencumbered access to the polls is critical to the electoral process.

The mutual use of polling areas is additionally problematic since many of the facilities are extremely small and it is difficult to conduct an election, let alone have another activity taking place at the same time. Accordingly, the borough does not support the joint use of polling places during an election.

The borough recognizes the importance the community councils serve in the borough and will endeavor to coordinate an alternate location site if you have planned an election at a polling place this year. While relocation may be an inconvenience, it is for the protection of everyone. It ensures electoral integrity and promotes the efficient administration of the electoral process.

Please feel free to call me if you have any questions.

(M-349: 29.2.9; 10.01; 12.19)

Exhibit 8, page 1 of 1



# MATANUSKA-SUSITNA BOROUGH<sup>9</sup>

## Borough Manager

350 E. Dahlia Avenue, Palmer, Alaska 99645-6488  
Phone (907) 745-9689 FAX (907) 745-9669

May 18, 1999

Sandy Shoulders  
PO Box 236  
Talkeetna, AK 99676

Dear Ms. Shoulders:

Thank you for your letter of May 1, 1999 where you asked several questions related to the petition to incorporate the city of Talkeetna. I asked Jim Swing, Director of Public Works, and Tammy Clayton, Finance Director, to respond to your questions. Their responses are attached.

Again, thank you for writing.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael J. Scott".

Michael J. Scott  
Borough Manager

/kmw

c: Gene Kane, Dept of Community and Regional Affairs  
Michael Gatti, Borough Attorney ✓  
Tammy Clayton, Finance Director  
Jim Swing, Director of Public Works

051799.3



# MATANUSKA-SUSITNA BOROUGH

## PUBLIC WORKS DEPARTMENT

350 East Dahlia Avenue, Palmer, Alaska 99645-6488  
PHONE (907) 745-9801 • FAX (907) 745-9825

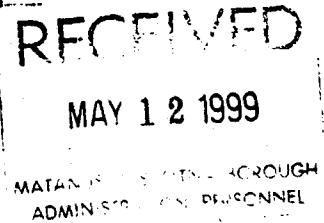
### MEMORANDUM

DATE: May 12, 1999

TO: Michael J. Scott, Borough Manager

FROM: Jim Swing, Public Works Director *JPS*

SUBJECT: Talkeetna Incorporation Petition



In your May 7, 1999 memorandum, you requested responses to several questions posed by Sandy Shoulders in her attempt to amend the petition for incorporation of the City of Talkeetna. The following are responses to the questions pertaining to Public Works.

1. Current Cost/Revenue for operation of Talkeetna Solid Waste Transfer Site

	FY1998
Salary of Employee	\$43,122.15
Transportation of Solid Waste	\$26,801.26
Testing of Monitoring Wells	\$5,990.88
Electricity	\$499.62
Telephone	\$298.08
Fuel Oil	\$183.42
Rent-a-Can	\$600.00
Snow Plowing	\$958.00
Total Actual Costs	\$78,453.41
Cost of Disposal at Central Landfill	\$25,275.15*

\*This cost is not charged for borough operated transfer stations. If some other entity operated a transfer site, the disposal charge would be made and would amount to this cost.

1998 Revenue	\$22,880.00
--------------	-------------

2. There are no special arrangements for handling the solid waste from the cities located within the borough. The Solid Waste Division is funded by the users of the facilities paying fees for the disposal of their wastes. Presently, except for a small portion of the Hazardous Waste Program, sufficient revenue is collected by the fees paid for disposal to fund the Solid Waste Program. Therefore, there is no need for special arrangement with the cities.
3. There are no plans to change the operation of the Talkeetna Transfer Site. The borough would like to provide a better level of service to the Northern region by combining the Trapper Creek, Sunshine and Talkeetna transfer sites into a larger site near the "Y". This site could then be open seven days a week and take larger

May 12, 1999

- items than can be handled at the smaller sites. However, the communities served by these three sites must support this concept and so far we have not had that support.
4. As mentioned in #2 of this memorandum, there is no need to have any special arrangement with cities and there is no cost to the cities for solid waste services. All costs are paid by the users of the solid waste facilities.
  5. The Borough is exploring various options for a new access road to the Freedom Hills Subdivision. Those options include improving the existing road to the subdivision, or construction a new access either from the north or the south. No decision is expected to be made until more research and investigation is made on the costs and merits of each route. Due to the heavy workload of Public Works during the summer months, the needed research and investigations will not be done until fall.
  6. The Borough has no plans to change the present methods of maintaining Barge Drive. We are keeping the road at Bonanza Hill open and maintained during the summer and closed during the winter. From time to time the Board of Supervisors for RSA #29 recommend improvements to this road, however, at present I know of no plans for improvement of this road.
  7. We cannot combine what would remain of RSA #29 with RSA #30. The service areas are not contiguous as required by Borough Ordinance. The remainder of RSA #29 could be combined with RSA #15 by one of two methods. The Assembly could combine by passing an Ordinance doing so, or the registered voters in each service area could vote to consolidate. If the service areas were combined, the new mil rate would be 2.86 mils. Current rates are 2.67 mils for RSA #29 and 2.61 mils for RSA #15.
  8. The Borough has no agreements with other governmental entities sharing maintenance of specific roads. We do trade winter maintenance of some roads with the State and with Wasilla on an informal basis.
  9. The Borough does not have an alternate well site for the water system at Talkeetna. The existing well has the capacity to serve the water system and provide for growth of the system. We have a long term lease with the railroad for the well, well house and office and have a good working relationship with the railroad. We see no need to expend unnecessary funds for something that is not needed.
  10. Attached are three pages from the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998 which apply to the Talkeetna Water and Sewer Utility. This is the official audit of this account. You can see that as of June 30, 1998 there is \$26,964 in fund balance in this account.

## MATANUSKA-SUSITNA BOROUGH

## Special Revenue Funds

## Service Area 36 - Talkeetna Water and Sewer

Statement of Revenues, Expenditures, Other Financing Sources  
and Changes in Fund Balance (Deficit) - Budget and ActualYear ended June 30, 1998  
with comparative figures for 1997

	<u>1998</u>		<u>Variance</u>	<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	<u>favorable</u> <u>(unfavorable)</u>	<u>actual</u>
Revenues:				
Charges for services	\$ 100,500	102,821	2,321	95,321
Investment income	-	478	478	170
Total revenues	<u>100,500</u>	<u>103,299</u>	<u>2,799</u>	<u>95,491</u>
Expenditures - public services	<u>98,287</u>	<u>89,031</u>	<u>9,256</u>	<u>92,109</u>
Excess of revenues over expenditures	2,213	14,268	12,055	3,382
Fund balance at beginning of year	<u>12,696</u>	<u>12,696</u>	-	<u>9,314</u>
Fund balance at end of year	<u>\$ 14,909</u>	<u>26,964</u>	<u>12,055</u>	<u>12,696</u>

**MATANUSKA-SUSITNA BOROUGH**

**Special Revenue Funds**

**Nonarea-wide Services and Service Areas**

**Combining Statement of Revenues, Expenditures, Other  
Financing Sources (Uses) and Changes in Fund Balances**

Year ended June 30, 1998  
with comparative totals for 1997

	<u>Non- area-wide Services</u>	<u>Service Area 7 - Talkeetna Flood Control</u>	<u>Service Area 36 - Talkeetna Water and Sewer</u>	<u>Freedom Hills Subdivision</u>	<u>Garden Terrace Estates</u>
<b>Revenues:</b>					
Property taxes	\$ 766,696	3,662	-	-	18,705
Intergovernmental	578,213	340	-	-	757
Charges for services	1,609,272	-	102,821	-	-
Investment income	21,098	740	478	2,845	2,970
Other	67,097	-	-	-	-
Total revenues	<u>3,042,376</u>	<u>4,742</u>	<u>103,299</u>	<u>2,845</u>	<u>22,432</u>
<b>Expenditures:</b>					
Public safety	-	630	-	-	-
Public services	3,121,896	-	89,031	5,980	23,196
Debt service	-	-	-	-	-
Total expenditures	<u>3,121,896</u>	<u>630</u>	<u>89,031</u>	<u>5,980</u>	<u>23,196</u>
Excess of revenues over expenditures	<u>(79,520)</u>	<u>4,112</u>	<u>14,268</u>	<u>(3,135)</u>	<u>(764)</u>
<b>Other financing sources (uses):</b>					
Proceeds of long-term borrowings from					
Internal Service Funds	-	-	-	-	-
Operating transfers from other funds	-	-	-	-	-
Operating transfers to other funds	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing uses	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(329,520)</u>	<u>4,112</u>	<u>14,268</u>	<u>(3,135)</u>	<u>(764)</u>
Fund balances at beginning of year	944,469	11,403	12,696	53,075	50,424
Residual equity transfers from other funds	10,326	-	-	-	-
Residual equity transfers to other funds	<u>(7,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 618,042</u>	<u>15,515</u>	<u>26,964</u>	<u>49,940</u>	<u>49,660</u>

# MATANUSKA-SUSITNA BOROUGH

## Special Revenue Funds

### Nonarea-wide Services and Service Areas

#### Combining Balance Sheet

June 30, 1998  
with comparative totals for 1997

<u>Assets</u>	<u>Non- area-wide Services</u>	<u>Service Area 7 - Talkeetna Flood Control</u>	<u>Service Area 36 - Talkeetna Water and Sewer</u>	<u>Freedom Hills Subdivision</u>	<u>Garden Terrace Estates</u>
Equity in central treasury and cash	\$ 345,694	15,387	13,510	49,940	56,880
Receivables:					
Intergovernmental	340,802	112	-	-	261
Property taxes, net	97,869	141	-	-	-
Other	114,680	-	20,503	-	-
Inventories	-	-	-	-	-
Prepaid expenditures	1,402	-	-	-	-
	<u>\$ 900,447</u>	<u>15,640</u>	<u>34,013</u>	<u>49,940</u>	<u>57,141</u>
<b><u>Liabilities and Fund Balances</u></b>					
Liabilities:					
Accounts payable	215,457	-	981	-	7,481
Deferred revenues	66,948	125	6,068	-	-
Advance from Debt Service Fund	-	-	-	-	-
Total liabilities	<u>282,405</u>	<u>125</u>	<u>7,049</u>	<u>-</u>	<u>7,481</u>
Fund balances:					
Reserved for imprest cash, inventories and prepaid expenditures	2,602	-	-	-	-
Unreserved:					
Designated for self-insurance	10,000	-	-	-	-
Designated for landfill closure and postclosure costs	150,000	-	-	-	-
Designated for compensated leave	75,000	-	-	-	-
Undesignated	380,440	15,515	26,964	49,940	49,660
Total fund balances	<u>618,042</u>	<u>15,515</u>	<u>26,964</u>	<u>49,940</u>	<u>49,660</u>
	<u>\$ 900,447</u>	<u>15,640</u>	<u>34,013</u>	<u>49,940</u>	<u>57,141</u>





# Matanuska-Susitna Borough

350 EAST DAHLIA AVE, PALMER, ALASKA 99645-6488 • PHONE 745-4801  
DEPARTMENT OF FINANCE

RECEIVED

MAY 14 1999

MATANUSKA-SUSITNA BOROUGH  
ADMINISTRATION/PERSONNEL

## MEMORANDUM

DATE: May 14, 1999  
TO: Michael J. Scott, Borough Manager  
FROM: Tammy E. Clayton, Director of Finance  
SUBJECT: Talkeetna Incorporation Petition

*TEC  
by n.m*

Following are the answers to the financial questions raised by Sandy Shoulders in her letter dated May 1, 1999.

- The most recent certified assessment of real property value within the proposed incorporation boundaries is \$27,874,500 for calendar year 1998.
- The assessment of real property for calendar year 1999 is not certified yet. Meetings are still being held with the Board of Equalization. As such, the uncertified value of \$33,709,500 is still subject to adjustment. That value does include the CIRC Hotel property as it existed on January 1, 1999.
- If there was an additional bed tax for the proposed incorporation area, the borough could collect and distribute the funds as they do with property taxes.
- The total revenues the borough received from the bed tax in fiscal year 1998 from the lodging facilities within the proposed incorporation boundaries were \$15,545.67.

If you need further information, let me know.

nm

May 1, 1999

Mike Scott, Manager  
Mat-Su Borough  
350 E. Dahlia  
Palmer, Alaska 99645

Dear Mr. Scott:

In discussions about how to amend the petition to incorporate the city of Talkeetna, we found there was a need for several pieces of information from the Borough. These mostly concern public works aspects of Borough operations.

The first area for discussion is solid waste. Though the Borough does not recommend that a City of Talkeetna assume this service, the DCRA has concerns over its status as a nonareawide power. Therefore, we would like the following information so we can better assess the need for the City to provide this service:

- Jim
- \* Current cost/revenue for the operation of the Talkeetna transfer site including but not limited to: staffing, hauling, dumping fees at the central site, utilities, plowing.
  - \* Arrangements with Houston, Palmer, Wasilla and the Borough for their solid waste disposal.
  - \* The Borough's long term plan for Talkeetna's solid waste. Are there any changes on the horizon or will everything remain status quo?
  - \* What contract arrangements could be made between the City of Talkeetna and the Borough for the uninterrupted running of the transfer site and what revenue and expense would this add to the City's budget?

Regarding roads, there are several points that need clarification:

- Jim
- \* What is the Borough's plan for resolving the Freedom Hills access road issue?
  - \* What plans does the Borough have for long term maintenance or improvement of Barge Drive at Bonanza Hill?

Specifically regarding the changes in RSA29 should the city incorporate:

- Jim
- \* What is the possibility of combining the remaining RSA29 with either RSA15 or 30? What effect would this have on mil rates?
  - \* Please provide an example of an agreement between the Borough and any other government entity that deals with sharing the maintenance of a specific road.

Water and sewer is an important issue for a new city. In this area we would like the following information:

- Jim
- \* What is the Borough's alternative well site plan? Currently the water supply is on a lease from the Railroad.
  - \* We would like a copy of the most recent audit of the system.

In general terms we have the following request for information:

- Tamm
- \* Please provide the most recent assessment of real property value within the

proposed incorporation boundaries. Specify if the new CIRI hotel is included.  
\* If we used an additional bed tax in addition to what the Borough already collects, would the Borough collect and distribute the funds as they would property tax?  
\* Please provide us with total revenues from the 5% bed tax for '98 received from lodging facilities within the proposed incorporation boundaries.

We are attempting to amend this petition to the satisfaction of the DCRA and to the Borough's satisfaction. This information is important to the amendment process. Our current deadline for amending the petition is May 28th. The sooner we can have the above requested information, the sooner we can complete this phase of the process.

Thank you for your cooperation and we wish you a pleasant day!

Sandy Shoulders  
Petitioners' Representative  
P.O. Box 236  
Talkeetna, Alaska 99676  
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*Joe C. Page*  
(for Sandy Shoulders)

cc: Gene Kane, Department of Community and Regional Affairs